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April 28, 2020

**By Overnight Mail and Electronic Mail
Confidential Business Information**

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U.S. Environmental Protection Agency
MC 2242A, Room 1117 WJCS
1200 Pennsylvania Ave. NW
Washington, DC 20460

Eddie Terrill, Director
Oklahoma Department of Environmental
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Air Quality Division
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Oklahoma City, Oklahoma 73102

Cheryl Seager
Director, Compliance Assurance and
Enforcement Division
U.S. Environmental Protection Agency,
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Beverly H. Banister
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Ronald Gore
Chief, Air Division
Alabama Department
Of Environmental Management
1300 Coliseum Boulevard
Montgomery, Alabama 36110

Chief, Environmental Enforcement Section
Environment and Natural Resources Division
U.S. Department of Justice
4 Constitution Square
150 M Street NE, Suite 2.900
Washington, DC 20002
Re: DOJ No. 90-5-2-1-09729

Re: Force Majeure Notification

Ladies and Gentlemen:

This letter is submitted on behalf of Continental Carbon Company (“CCC”) in accordance with the Consent Decree between CCC and the United States, the Oklahoma Department of Environmental Quality (“ODEQ”), and the State of Alabama and the Alabama

Department of Environmental Management. Consent Decree, *United States et al. v. Continental Carbon Co.*, Case 5:15-cv-00290-F (W.D. Okla. May 7, 2015), *as amended* First Amendment to Consent Decree (May 25, 2018) (“Decree”), including Section XV and Paragraph 71 of the Decree. As a result of the COVID-19 global pandemic and other issues, this letter provides written notice of a force majeure event and potential noncompliance with obligations under the Decree.

As you know, due to COVID-19, except for work deemed essential, the U.S. economy has largely shut down, with non-essential businesses closed and Americans told to stay in their homes. These measures taken by federal and state governments to protect public health and welfare have had a crushing impact on business across the country.

The carbon black business is no exception. CCC principally produces carbon black for use in tire manufacturing, but the tire market now is largely non-existent. According to the Alliance for Automotive Innovation, as of March 26, 93% of all U.S. domestic auto production was offline, the primary market for CCC product. This has continued in April. Moreover, Americans are staying in their homes and not driving, meaning the market for replacement tires has likewise all but shut down. As a result, CCC’s Ponca City and Phenix City plants are currently not operating – and Sunray is operating at substantially reduced capacity (producing for non-tire, [REDACTED]).

Beyond those economic effects on CCC’s operations, the unprecedented pandemic has disrupted the supply chain on which CCC is relying to provide essential equipment and may interfere with other regulatory efforts essential to CCC meeting the Decree requirements. Now layered onto other issues, these may impact CCC’s ability to meet the deadlines in the Decree. Specifically:

Ponca City. Under the Decree, CCC must meet new emissions requirements by April 1, 2021. Principally, three issues are causing delay or other impediments that may prevent CCC from meeting the deadline.

1. Waste gas fans. CCC has installed almost all of the equipment necessary for its control system – investing approximately [REDACTED] million to date. However, despite best efforts, due to multiple delays caused by vendor design errors, CCC may not receive four, fully functional waste gas fans in time to install, fully test and commission the system before the April 1, 2021 deadline.

Waste gas fans. The four waste gas fans are custom-designed/engineered industrial fans.¹ They are large [REDACTED] and must be fixed firmly in a foundation to support the fans and

¹ CCC designed its emission controls to have two air quality control systems – and each system requires two waste gas fans.

surrounding shell/casing.² The fan blades operate at 3000-3500 rpms – so any flaws that could cause an imbalance in the fans could potentially cause significant damage and present serious risk to human life. Consequently, the fan casing for each fan is itself a large, heavy steel shell designed to protect against that risk should an incident occur. The industrial fans are an essential component of the emission control project at Ponca, because the waste gas requires pressure to force it into the burner and operate the boiler. Therefore, in effect, the fans are the starter for the power source – without the fans to move the gas, the rest of the system cannot function effectively.

RFQ to established manufacturers. There are four principal manufacturers of custom-designed, industrial fans that could serve this project. In September 2016, CCC issued an RFQ, and after a review and revision process, CCC selected [REDACTED] CCC timely issued a purchase order for the fans in December 2016. [REDACTED] had contracted to design and engineer to the specifications required for the Ponca project. CCC completed the installation of the fans (i.e., site preparation, foundation, fan shell, and fan installation) during 2018.

First modification. CCC began testing / balancing of the fans in the fourth quarter of 2018. As an initial matter, Fans 1 and 2 were run for balance, but factory defects and damaged bearings were observed.⁴ After a root cause analysis, in May 2019, [REDACTED] determined that excessive thrust load had caused the bearings failure. In response, on June 10, 2019, [REDACTED] and CCC agreed on rotor scope modifications to reduce the thrust.

Second modification. On June 23, 2019, modified fan rotors were returned to CCC and installed in Fans 1 and 2. CCC commenced system commissioning, but in August 2019, the fans exhibited high vibration and tripped out. A root cause analysis determined the problem was the fans' resonant frequency. Accordingly, in September 2019, the rotors for Fans 1 and 2 were again returned to [REDACTED] and [REDACTED] did a complete redesign of the fans to change the shaft diameter to increase resonant frequency.

Further vibration problems. On November 14, 2019, CCC received the redesigned fan rotors for installation. To enhance stability, during December 2019, CCC [REDACTED] [REDACTED] to increase mass in the foundation. Commissioning activities proceeded thereafter, but testing indicated the redesign had not resolved the problem, as high vibration was experienced during the commissioning.

In March 2020, CCC returned one rotor to [REDACTED] for a further root cause analysis. In early April 2020, [REDACTED] presented a general proposal for further redesign of the rotors, although

² Once received, simply moving and installing one of these large, precision fans can be a 1-2 week effort.

⁴ The internal workings (rotors) of Fan 3 were also removed and tested, which indicated the same issues were present.

finalizing the revised design has been delayed at [REDACTED] due to COVID-19. CCC expects to receive delivery of two new rotors from [REDACTED] approximately 6-8 weeks after [REDACTED] reopens its operations.

However, in an effort to mitigate the risk that [REDACTED] will still be unable to provide a safely functioning rotor, on April 6, 2020, CCC sent one of the rotors to a third party for an independent root cause analysis. CCC is in the process of finalizing the arrangements to have the third party redesign/fabricate two rotors, [REDACTED] CCC hopes that one of the two designs will operate properly.

Had the first modification or the second modification (which substantially redesigned the fans) resolved the issues with the fans, CCC had expected both sets of emission controls would be up and running at Ponca City by the end of 2020, well in advance of the April 1, 2021 deadline. CCC based this assessment on the following timeline:

- Test and balance (1 month)
- Introduce natural gas, switch to mixture and then waste gas (6 months)
- Additional period to troubleshoot, address operating issues (3 months)

A ten month timeline meant that had the second modification addressed the fan vibration issues, CCC would still have had the first three months of next year, if necessary, to complete the work, address any issues, and meet the Decree deadline. Unfortunately, the further issues now requiring an additional rotor redesign to address the further vibration problems has caused additional delay. COVID-19 has intervened and compounded the problem, as it has slowed [REDACTED] progress on the further redesign and its promise for delivery. At this juncture, it is uncertain whether either [REDACTED] or the third party can complete the work and deliver corrected rotors to CCC that will pass the required testing in sufficient time to meet the April 2021 deadline.⁵

2. Natural gas line. An upgraded natural gas line is necessary to initiate system testing and commence operation of the controls. Currently, the Ponca City facility has a 4" line that must be upgraded to an 8" line to provide the necessary additional capacity for the project. However, despite best efforts, the essential natural gas line to bring the gas to the Ponca City facility has not yet been installed. To run the gas line requires State approval, as well as to

⁵ To further mitigate against a further delay if neither of the redesigned options functions properly, CCC has inquired of other vendors and has invested in an entirely different design. However, CCC has not issued a purchase order for this alternative, as it would require at least 14 months from contracting before the four fans could be operational, assuming no other delays. It would also mean a significant additional investment – new fans, tearing out the existing foundation and fan casing that would not be compatible with a different vendor's equipment and design, and installing a new foundation and shell – when the company has very little revenue and is largely shut down.

contract with Oklahoma Natural Gas (“ONG”) to run a pipeline from the main gas line via ONG easements. ONG is the investor-owned, natural gas distributor that serves Ponca City.

After substantial effort, including outreach to and involvement of the Oklahoma Secretary of Commerce, the State provided the necessary approvals. However, CCC has not been able to conclude the arrangements with ONG to proceed, despite timely CCC efforts. CCC initiated discussions with ONG in February 2019 – and after a lengthy process, on February 21, 2020, CCC contracted with ONG to install the gas line, with a completion date of October 19, 2020.⁶ That completion date would have allowed sufficient time, had ONG proceeded as it had agreed. CCC expected that ONG would proceed – and that this line installation would be a relatively straightforward process, because the new line would largely track the existing line.

Unfortunately, ONG did not proceed. Instead, on March 18, ONG advised CCC that instead of approximately 32 weeks, it would take 52 weeks to install the line agreed upon – and in its place, ONG proposed alternative routings to CCC to meet the October 2020 deadline at a higher cost. ONG then formally proposed the revised routings in an April 2 contract amendment, which included a \$500,000 price increase. On April 9, CCC agreed to the alternative and higher price, so long as ONG provided the usual contractual assurances it would meet the October 2020 deadline and would not require a further price increase. On April 15, ONG refused to provide those assurances, asserting that they cannot do that as a regulated industry. Nonetheless, on April 23, CCC agreed to the revised routing and higher price, with the October 21 deadline. In all events, CCC understands that nothing will proceed until the state reopens sufficiently to allow for this type of work.

Assuming this can be installed in accordance with the agreed upon timeline, the natural gas may be available for timely testing of controls. In the interim, CCC has sought to mitigate the anticipated future delay by investing an additional \$1 million to bring in liquid natural gas to initiate testing/operation of certain downstream components of the control systems. However, until the natural gas line is in place, CCC cannot initiate full testing. Regardless, no testing of the equipment could be done in any event, as the facility is entirely shut down due to COVID-19.

3. Contractor delays due to COVID-19. At present, in addition to CCC’s own operations being closed, the primary contractor for the project, Hurst Construction and Fabrication, LLC, has employees who are suspected to be positive for COVID-19. Hurst has quarantined those employees and others possibly exposed, resulting in delays and stoppages for their work.⁷ For CCC, this has resulted in a complete work stoppage for the Ponca City project. Without Hurst, even if the fans were available, the work could not proceed. Under the

⁶ ONG had originally advised CCC the project would take 26 weeks, but revised the timeline to require 32 weeks.

⁷ Email from D. Hurst, Hurst Construction & Fabrication, LLC to M. Ingram, Continental Carbon Company (April 19, 2020).

circumstances, it would not be practical to re-bid the project and vet a new primary contractor and proceed any sooner.

In addition, [REDACTED] the engineering firm overseeing the balance of plant component of the site-work, is working at a reduced rate, unable to travel to the facility and operating without the full resources to devote to CCC's project.⁸ Further, Siemens, the supplier for [REDACTED] Turbine Generator Set and Air Cooled Condensers for the project has provided its own potential force majeure notice.⁹

In sum: At this point, if CCC receives corrected rotors that function properly by the June/July timeframe, and if the natural gas line contract issues are timely resolved and the line is installed by the contracted for October 21, 2020 deadline, then, barring other delays, CCC may still be able to meet the April 1, 2021 deadline. However, that is highly uncertain.

Phenix City. Under the Decree, the deadline for new emissions requirements is December 31, 2022. Although the situation differs from Ponca City, CCC is likewise concerned about its ability to achieve the 2022 deadline.

Due to challenges with [REDACTED] and its primary contractor at Ponca City, CCC has been compelled to seek out a new design and technology for the controls at Phenix City. CCC rebid the project during the third quarter of 2019, worked with the three final contractors in the fourth quarter and into the start of 2020 with the goal of finalizing the Engineering, Procurement and Construction ("EPC") contract [REDACTED] Engineering as design engineer) and the balance of plant contract [REDACTED] during the second quarter of this year. Had that schedule held, CCC would have had the 30 months CCC believes are necessary to complete the project in time to meet the December 2022 deadline.

However, at present, the engineering firms [REDACTED] with whom CCC is working are working at a reduced rate, as they are unable to travel to the facility and are operating during the pandemic without the full resources to devote to CCC's project. Having gone through an RFP process to get to this point, it would be highly inefficient and impracticable to start anew with new contractors – who in all likelihood would face the same challenges and uncertainties as CCC's existing contractors, as well as unknown timelines. Depending upon when the firms reopen and their full staff and resources are available for CCC's project and can access the Phenix City facility, CCC's current hope is that it may still be able to conclude a

⁸ Letter from [REDACTED] to M. Ingram, CCC (April 20, 2020).

⁹ Email from A. Singh, Siemens to M. Ingram, CCC (April 17, 2020) and Letter from A. Singh, Siemens, to M. Ingram, CCC (March 13, 2020). The equipment from Siemens is coming from Brazil, which has been severely impacted by COVID-19. It is not yet known when the equipment and manpower will be available and whether that will impact CCC's ability to meet the April 2021 deadline.

April 28, 2020

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contract by the end of the third quarter, at the very earliest.¹⁰ Moreover, even with a design in place, there is substantial uncertainty regarding the equipment that will have to be purchased, once the design is completed.

Anticipated duration. Unfortunately, CCC cannot provide more detailed information regarding the anticipated duration of any potential delays and any further actions that may be taken to prevent, minimize or mitigate potential delays. The successful redesign of the fan rotors at Ponca City, the course of the global pandemic in the United States and elsewhere, the pace of reopening of the economy and the renewal of the supply chain for the equipment for Ponca City, the timeline for ONG to start and complete work on the required natural gas line, the availability of CCC's contractors to resume the project at and provide the necessary equipment for Ponca City, and the resumption of full engineering work for Phenix City are out of CCC's control and highly uncertain. Nonetheless, CCC is submitting this notice now as soon as practicable after becoming aware that these issues may delay or prevent compliance with performance of obligations under the Decree.

Please contact me if you have any questions regarding this notice.

Sincerely,

/s/ Samuel Boxerman

Samuel B. Boxerman

Attachments

cc: Kellie Ortega (by email)
Jason Dunn (by email)
Dennis Hetu

¹⁰ In view of this concern, CCC has re-engaged with [REDACTED] to assess whether that is a feasible option, notwithstanding the challenges at Ponca City with their primary contractor's performance.

From: Ingram, Mike <mingram@continentalcarbon.com>
Sent: Monday, April 20, 2020 9:28 AM
To: Hetu, Dennis
Cc: Burton, Phillip
Subject: Hurst Covid 19 Letter

FYI, please see below.

Michael L. Ingram C.P.M.
Senior Purchasing Manager
Continental Carbon Company
16850 Park Row
Houston, TX 77084

Tel. 281-647-3704
Fax 281-647-3707

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From: Drew Hurst <gdhurst@cableone.net>
Sent: Sunday, April 19, 2020 2:25 PM
To: Ingram, Mike <mingram@continentalcarbon.com>
Subject: Schedule and delays



Mr. Ingram,

Hurst Construction and Fabrication LLC is continuing to work through this Covid 19 Pandemic with as little delay and interruption to our project schedules as possible. With that said, we are also committed to the health and safety of our customers and employees. We have had a couple of employees who have been suspected of being positive for Covid 19 and as per CDC Guidelines, we have quarantined suspected cases and anyone possibly exposed. As a result this has created substantial project delays and stoppages due to manpower shortages. We are managing these projects to the best of our ability with the resources we have available but it changes daily.

Thank you for your patience and understanding as we navigate through this unprecedented time.

Sincerely
Drew Hurst
President
Hurst Construction and Fabrication LLC

[REDACTED]

April 20, 2020

Continental Carbon Company
16850 Park Row
Houston, TX 77084

Attention: Mr. Mike Ingram
Senior Purchasing Manager

Subject: COVID 19 Impact
Ponca City, OK & Phenix City, AL

Dear Mr. Ingram:

[REDACTED] is writing this letter to formally advise of the COVID 19 impact on [REDACTED]. Like many U.S. based companies during the COVID-19 shutdown, [REDACTED] has struggled to continue to provide many of the engineering, construction, and project management services in the timely manner our customers expect. Unfortunately, many of Continental Carbon's projects have been impacted by this pandemic but the main projects of concern are the Consent Decree projects for the Ponca City, OK and Phenix City, AL locations. Below are a few of the events that have impacted these projects due to COVID-19:

- Project Engineer quarantined due to potential COVID-19 exposure.
- State of [REDACTED] "shelter in place" mandate.
- Houston/Harris County "shelter in place" mandate.
- Montgomery county "shelter in place" mandate.
- CDC Social Distancing Guidelines

These events have limited our ability to progress as it is more difficult or even impossible to 1) understand and address site issues, 2) travel to the job site, 3) travel to CCC's office, and 4)

[REDACTED]

[REDACTED]

[REDACTED]

maintain construction/commissioning progress while abiding by the CDC's guidelines. We have continued to work on these project by having our resources work remotely but the efficiency of working remotely is less than that of our normal working conditions (slower network access, face to face meetings not possible, lack of equipment such as large format scanner/printers, etc.)

With the open-ended nature of many of these events, it is difficult to quantify the overall impact of COVID-19 to these projects' schedule. [REDACTED] is proud of the relationship we have developed with Continental Carbon and we are committed to helping you succeed through these trying times.

Sincerely,



From: Ingram, Mike <mingram@continentalcarbon.com>
Sent: Friday, April 17, 2020 2:32 PM
To: Hetu, Dennis
Cc: Burton, Phillip
Subject: Siemens - Continental Carbon: FM Notice for COVID 19
Attachments: [REDACTED]

fyi

Michael L. Ingram C.P.M.
Senior Purchasing Manager
Continental Carbon Company
16850 Park Row
Houston, TX 77084

Tel. 281-647-3704
Fax 281-647-3707

"This message and any files transmitted with it are intended exclusively for the intended recipient, and may contain confidential and/or privileged information. If you are not the intended recipient, please immediately notify the sender by replying to this message, and delete the message and any/all attachments."

From: Singh, Ankit <ankit.s@siemens.com>
Sent: Friday, April 17, 2020 1:28 PM
To: Ingram, Mike <mingram@continentalcarbon.com>
Subject: FW: Continental Carbon: FM Notice for COVID 19

Mike,

Forwarding the FM notice sent by us earlier. Due to restrictions on international travel our ability to acquire technical experts for specific units has been significantly impacted.

-Ankit

From: Singh, Ankit (GP PG IST PM AM)
Sent: Friday, March 13, 2020 2:14 PM
To: Ingram, Mike <mingram@continentalcarbon.com>
Cc: Distler, Heike (GP PG IST PM AM) <heike.distler@siemens.com>; Henn, Nicholas (GP LC US EPC) <nicholas.henn@siemens.com>; Maheshwari, Suneel (GP PG IST PM AM) <Suneel.Maheshwari@siemens.com>; Loflin, Brad <brloflin@continentalcarbon.com>; Schmid, Linda (GP PG NAM PM FIN 2) <linda.schmid@siemens.com>
Subject: Continental Carbon: FM Notice for COVID 19

Hello Mike,

Please find attached FM notice with regard to COVID 19 outbreak.

-Ankit

March 13, 2020



Continental Carbon Company
Mr. Mike Ingram
Purchasing Manager
1006 East Oakland Avenue
Ponca City, OK 74601
Phone: +1 (281) 647-3704

Reference: AGREEMENT FOR THE [REDACTED] TURBINE GENERATOR SET AND AIR COOLED
CONDENSERS FOR THE CONTINENTAL CARBON PONCA CITY FACILITY

Subject: Notice of Force Majeure Event – Coronavirus

Dear Mike,

In accordance with the "Force Majeure" and "Notice" provisions of the Contract, Siemens provides Notice herein of potential impacts resulting from the Coronavirus (2019-nCoV), which is a force majeure event under the Contract ("FM Event"). As this FM Event unfolds, the impacts that might arise are difficult to predict and potential impacts are unknown at this time. It is possible that Siemens or its suppliers and subcontractors may incur impacts arising from the Coronavirus or arising from actions that entities or authorities may take to control the spread of the Coronavirus.

Siemens is closely monitoring this event and will take necessary precautions to mitigate any impacts. However, this FM Event may affect Siemens' ability to fulfil its obligations under the Contract, including potential impacts to deliveries, Siemens' facilities, Siemens' suppliers' facilities, engineering support, and other services.

Siemens will provide more specific updates as to the effects and impacts, if any, of this FM Event. Siemens reserves any and all rights available under the Contract including those allowing for a relief arising from potential delays as a result of this FM Event.

If you have any questions, please contact me at 407-782-8040.

Sincerely,

A handwritten signature in black ink, appearing to read 'Ankit Singh'.

Ankit Singh
Project Manager

Cc:

Siemens: Nicholas Henn; Heike Distler; Suneel Maheshwari

Confidential @ Siemens Energy, Inc. 2020

4400 Alafaya Trail
Orlando, FL 32826



June 12, 2020

**By Overnight Mail and Electronic Mail
Confidential Business Information**

Loren Denton
Director, Air Enforcement Division
U.S. Environmental Protection Agency
MC 2243A
1200 Pennsylvania Ave. NW
Washington, DC 20004

Eddie Terrill, Director
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Ronald Gore
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Alabama Department of
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1300 Coliseum Boulevard
Montgomery, Alabama 36110

Chief, Environmental Enforcement Section
Environment and Natural Resources Division
U.S. Department of Justice
4 Constitution Square
150 M Street NE, Suite 2.900
Washington, DC 20002
Re: DOJ No. 90-5-2-1-09729

S. Shawn Sibley
General Counsel
Alabama Department of
Environmental Management
1300 Coliseum Boulevard
Montgomery, Alabama 36110

Re: Force Majeure Notification – Update Letter 1

Ladies and Gentlemen:

In accordance with the Consent Decree between Continental Carbon Company (“CCC”) and the United States, the Oklahoma Department of Environmental Quality (“ODEQ”), and the State of Alabama and the Alabama Department of Environmental Management, Consent Decree, *United States et al. v. Continental Carbon Co.*, Case 5:15-cv-00290-F (W.D. Okla. May 7, 2015), as amended First Amendment to Consent Decree (May 25, 2018) (“Decree”), including

Section XV and Paragraph 71 of the Decree, this letter follows up on our April 28, 2020 written notice of a force majeure event and potential noncompliance with obligations under the Decree as a result of the COVID-19 global pandemic and other issues and provides additional information as requested in the U.S. EPA's letter of May 14, 2020. Like the April 28 notice, this letter and attachment are and shall be handled as Confidential Business Information under federal and state law.

Specifically, the EPA letter asked CCC to provide regular updates to its notice, including items listed in the Attachment to the letter as follows:

Ponca City

1. Provide an update when any of Defendant's employees begin working onsite, including the number of employees and a description of the activities they perform.

CCC's Ponca City plant ran for a short time in May but is currently not operating; however, the company has retained most of its employees to continue to maintain the facility. A limited number of employees have been furloughed thus far, and other workers have had their hours reduced. Workers are performing maintenance work, cleaning, housekeeping, and other miscellaneous duties. The plant may reopen on a limited basis in late June; however, operations are expected to be intermittent.

2. Provide any updates received from Defendant's contractors related to COVID-19.

As reported previously, CCC's primary contractor, Hurst Construction and Fabrication, LLC, has employees who are suspected to be positive for COVID-19, which resulted in delays and stoppages for their work at Ponca City. [REDACTED] and Siemens are currently under travel restrictions and cannot support commissioning activities. Without support from [REDACTED] and Siemens, Hurst is unable to complete any commissioning activities.

3. Provide any updates, orders, or directives from state and local officials related to COVID-19.

The governmental updates are a matter of public record, but we note for EPA that in general, the Governor of Oklahoma has announced a phased reopening, which Ponca City has stated it will follow. <https://www.poncacityok.gov/728/Press-Releases-COVID-19-Related>

4. Provide a detailed construction schedule, reflective of the anticipated schedule as of March 1, 2020, broken out by month), that specifies the work being performed, the number of contractors expected to be on site. (noting the name of the company), the anticipated date of arrival of major parts, and any other relevant information.

The schedule as of June 11, 2020 is attached, although the schedule presents substantial uncertainty, including for the reasons described in CCC's April 28 notice letter.

Phenix City

1. Provide an update when any of Defendant's employees begin working onsite, including the number of employees and a description of the activities they perform.

CCC's Phenix City plant is currently operating at [REDACTED] capacity, and the company has retained most of its employees. A limited number of employees have been furloughed thus far, and other workers have had their hours reduced. Workers are performing normal operation activities, as well as maintenance work, cleaning, housekeeping, and other miscellaneous duties. The plant is expected to cease operation later this month. Planned restart is unknown at this time.

2. Provide any updates received from Defendant's contractors related to COVID-19.

As reported previously, CCC's contractors, [REDACTED] have been working at a reduced rate and been unable to visit the facility. Presently, [REDACTED] and [REDACTED] continue to be under travel restrictions. [REDACTED] is currently under an order of eliminating all non-essential travel.

3. Provide any updates, orders, or directives from state and local officials related to COVID-19.

The governmental updates are a matter of public record, but we note for EPA that in general, the Governor of Alabama has initiated a phased reopening, under which businesses may reopen subject to sanitation and social distancing requirements.

<https://governor.alabama.gov/assets/2020/05/Safer-at-Home-Order-FINAL-5.21.2020.pdf>
<https://governor.alabama.gov/newsroom/covid-19/>

4. Provide a detailed construction schedule, reflective of the anticipated schedule as of March 1, 2020, broken out by month), that specifies the work being performed, the number of contractors expected to be on site. (noting the name of the company), the anticipated date of arrival of major parts, and any other relevant information.

Mobilization is currently scheduled for June 2021 with demobilization for January 2023, although this schedule presents substantial uncertainty, including for the reasons described in our letter. CCC's engineering service providers, [REDACTED] are currently updating equipment delivery expectations with vendors so a detailed schedule can be developed.

5. Provide clarification regarding the following: "there is substantial uncertainty regarding the equipment that will have to be purchased, once the design is completed."


The statement reflects the general concern about the global supply chain, which the global pandemic has disrupted. Approximately 25 to 50% of equipment will come from Europe, India, and China, so responses to RFP's (requests for proposals) are slower and equipment delivery is longer as proponents deal with affects from the pandemic to the operations of their manufacturing facilities and component suppliers.

June 12, 2020

Page 4

Should you have any questions, please contact Joe Araiza at (713)818-3285 or jaraiza@continentalcarbon.com.

Sincerely,

A handwritten signature in black ink, appearing to read 'Dennis J. Hetu', is written over the typed name and title.

Dennis J. Hetu
President, Continental Carbon Company

Attachment

cc: Sam Boxerman, Sidley Austin

